

Message Text

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45

ORIGIN ARA-17

INFO OCT-01 EUR-25 EA-11 ADP-00 OPIC-12 AID-20 IGA-02

CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03 NSAE-00 NSC-10

PA-03 RSC-01 PRS-01 SS-15 USIA-12 EB-11 STR-08 CIEP-02

OMB-01 TRSE-00 COME-00 XMB-07 INT-08 SAL-01 INRE-00

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FM SECSTATE WASHDC

TO AMEMBASSY BERN PRIORITY

AMEMBASSY BONN PRIORITY

AMEMBASSY BRUSSELS PRIORITY

AMEMBASSY COPENHAGEN PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY MADRID PRIORITY

AMEMBASSY OSLO PRIORITY

AMEMBASSY OTTAWA PRIORITY

AMEMBASSY PARIS PRIORITY

AMEMBASSY ROME PRIORITY

AMEMBASSY THE HAGUE PRIORITY

AMEMBASSY TOKYO PRIORITY

C O N F I D E N T I A L STATE 061984

E. O. 11652: GDS

TAGS; EIND, PFOR, CI

SUBJECT; WASHINGTON TALKS WITH CHILE - MARCH 22-23, L973

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1. U. S.- CHILE BILATERAL TALKS ON COMPENSATION ENDED AS SCHEDULED ON MARCH 23 AFTER TWO DAYS INTENSE DISCUSSIONS. THERE WERE NO SUBSTANTIVE RESULTS OR AGREEMENTS REACHED. BOTH SIDES MAINTAINED RESPECTIVE LEGAL AND POLICY POSITIONS WITH NO INDICATION BY CHILEANS OF WILLINGNESS TO ENTER INTO SUBSTANTIVE, DIRECT NEGOTIATED SETTLEMENT. FOLLOWING COORDINATED PRESS STATEMENT (UNCLASSIFIED) AGREED TO BY BOTH DELEGATIONS: " REPRESENTATIVES OF THE U. S. AND CHILE MEETING IN WASHINGTON DISCUSSED ON MARCH 22 AND 23 A NUMBER OF UNRESOLVED ISSUES AFFECTING BILATERAL RELATIONS. THESE TALKS WERE A CONTINUATION OF DISCUSSIONS HELD IN WASHINGTON DURING DECEMBER 20-22, 1972. BOTH SIDES EXPRESSED THEIR RESPECTIVE VIEWS IN AN ATMOSPHERE OF MUTUAL RESPECT, BUT NO DECISIONS OR SPECIFIC AGREEMENTS WERE REACHED. NEITHER WAS THERE ANY DECISION AS TO WHETHER FURTHER TALKS MIGHT BE HELD AT A LATER DATE."

2. CHILEANS OFFERED " FORMAL" PROPOSAL TO ENTER INTO COMMISSION PROCEDURE CONTEMPLATED IN NEVER- USED 1914 BILATERAL TREATY. HOWEVER, THEY ALSO TOOK POSITION THAT CHILEAN CONSTITUTION WOULD HAVE TO BE AMENDED TO PERMIT COMPENSATION FOR COPPER AND DECLINED TO GIVE ANY ASSURANCE THAT RESULTS

OF ANY THIRD PARTY PROCEDURE WOULD BE IMPLEMENTED. WHILE NOT REJECTING PROPOSAL, U. S. EMPHASIZED IT WAS NOT INTERESTED IN COSMETIC DEVICES AND THAT RECOURSE TO 1914 PROCEDURE AS PROPOSED BY CHILE WOULD HAVE LITTLE, IF ANY, PRACTICAL CONSEQUENCES ON CHILEAN POLITICAL AND CONSTITUTIONAL INHIBITIONS TO A SUBSTANTIVE SETTLEMENT. IN FACT, CHILEANS CAST DOUBT ON SERIOUSNESS OF 1914 OFFER BY INTIMATING THAT FULL RANGE OF BILATERAL PROBLEMS, IN ADDITION TO COPPER, WOULD BE SUBMITTED BY CHILE TO 1914 PROCEDURE.

3. DEBATE CENTERED AROUND U. S. POSITION THAT DIRECT NEGOTIATIONS BASED ON ARTICLE 4 OF 1972 PARIS CLUB AGREEMENT WAS PREFERRED MECHANISM FOR EXPEDITIOUS AND EFFECTIVE SOLUTION. CHILEANS MAINTAINED THAT COPPER QUESTIONS ARE NOT INCORPORATED IN PARAS 1 AND 2 OF ARTICLE 4 OF PARIS CLUB AGREEMENT AND THAT CHILE HAS NO OBLIGATIONS TO PAY COPPER DEBTS OR TO NEGOTIATE ON COMPENSATION RE COPPER. THEY
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ARGUED THAT 1914 TREATY WAS VALID INSTRUMENT WHICH OFFERED THE ONLY ' PRACTICAL' MEANS FOR INFLUENCING CHILEAN PUBLIC AND CONGRESSIONAL CLIMATE FOR SOLUTION, ASSUMING, OF COURSE, COMMISSION'S REPORT WAS ADVERSE TO CHILEAN POSITION. CHILEANS ALLEGED U. S. WAS REJECTING " REASONABLE PROPOSAL WITHOUT OFFERING ACCEPTABLE ALTERNATIVE. U. S. REPLIED THAT NOTHING HAD BEEN REJECTED AND THAT 1914 PROCESS AS ENVISIONED BY CHILEANS PRESENTED GRAVE DIFFICULTIES WHICH HAD NOT BEEN DISPELLED IN TALKS.

4. BOTH SIDES AGREED TO REFLECT ON EACH OTHERS' PROPOSALS BEFORE DECIDING HOW TO PROCEED FURTHER. NO AGREEMENT WAS REACHED OR PROPOSED FOR SUBSEQUENT MEETING. BOTH SIDES EXPRESSED BELIEF THAT STUDY PERIOD SHOULD NOT BE PROLONGED.

5. THE ABOVE INFORMATION IS PROVIDED FOR YOUR USE IN CONFIDENTIAL DISCUSSIONS AS APPROPRIATE WITH HOST GOVERNMENT OFFICIALS. FOLLOWING COMPLETION OF MARCH SEGMENT OF TALKS, MEMBERS OF CHILEAN DELEGATION HAVE MADE SEVERAL ALLEGATIONS RE SUBSTANCE OF TALKS IN PUBLIC INTERVIEWS AND IN PRIVATE CONVERSATIONS WITH U. S. GOVERNMENT REPS. FOLLOWING POINTS, WHICH RESPOND TO THESE ALLEGATIONS, ALSO PROVIDED FOR YOUR USE AS APPROPRIATE IN CONFIDENTIAL DISCUSSIONS.

A. THE GOC HAS REJECTED PARIS CLUB COMMITMENTS ON COMPENSATION, SPECIFICALLY PARAS 2 AND 3 OF ARTICLE 4. IT HAS BEEN UNWILLING TO CARRY OUT DIRECT NEGOTIATIONS EITHER WITH PRIVATE COMPANIES OR U. S. GOVERNMENT WITH RESPECT TO COMPENSATION FOR COPPER NATIONALIZATION. FURTHER IT HAS STATED THAT IT IS UNABLE AT THIS TIME TO TAKE LEGAL STEPS IT DEEMS NECESSARY TO PERMIT COMPENSATION FOR EXPROPRIATED COPPER PROPERTIES.

B. THE U. S. HAS NOT CHANGED ITS POLICY OF SEEKING A RESOLUTION OF THESE BILATERAL DIFFERENCES.

C. THE U. S. HAS NOT REJECTED THE 1914 TREATY PROCEDURE OR ANY OTHER MEANS OF ARRIVING AT A SOLUTION. WE ARE OPEN TO ANY PROCEDURE THAT CAN BE MEANINGFUL, BUT WE WILL NOT ACCEPT DILATORY OR VAGUE PROCEDURES WHICH OFFER LITTLE OR NO PROSPECT FOR ACTUAL COMPENSATION.

D. THE U. S. DID NOT PROPOSE THAT A CONSTITUTIONAL AMENDMENT BE ENACTED TO PERMIT COPPER COMPENSATION, BUT CONFIDENTIAL

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RATHER EMPHASIZED THAT THE PROCESSES ON THE CHILEAN SIDE FOR REACHING A SOLUTION WERE PURELY A CHILEAN MATTER. THE CHILEAN DELEGATION ITSELF RAISED AND CONCENTRATED THE FOCUS ON A CONSTITUTIONAL AMENDMENT BASED ON THEIR CONTENTION THAT THERE IS NO FURTHER AUTHORITY TO EFFECT COMPENSATION UNDER EXISTING LEGISLATION.

E. THE U. S. IS DEEPLY CONCERNED OVER THE BREACH BY THE CHILEAN SIDE OF THE AGREEMENT THAT NEITHER PARTY WOULD MAKE PUBLIC ITS UNILATERAL VERSION OF THE SUBSTANCE OF THE TALKS.

F. THE U. S. TOOK SERIOUSLY THE AGREEMENT AT THE END OF THE MARCH TALKS THAT BOTH SIDES WOULD REFLECT ON EACH OTHER'S PROPOSALS AND THEN DECIDE ON HOW TO PROCEED. THIS MUTUALLY AGREED POSITION CAN IN NO WAY NOW BE MISCONSTRUED BY THE CHILEAN SIDE AS REPRESENTING A UNILATERAL U. S. DECISION TO BREAK OFF THE TALKS. THAT IS NOT AND NEVER HAS BEEN THE CASE. ROGERS

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<< END OF DOCUMENT >>

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